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BEFORE THE FEDERAL MARITIME COMMISSION

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PETITION OF UNITED PARCEL SERVICE, INC. FOR EXEMPTION PURSUANT TO SECTION 16 OF THE SHIPPING ACT OF 1984 TO PERMIT NEGOTIATION, ENTRY AND PERFORMANCE OF SERVICE CONTRACTS

FMC Petition No. P3-03

PETITION OF NATIONAL CUSTOMS
BROKERS AND FORWARDERS
ASSOCIATION OF AMERICA, INC. FOR
A LIMITED EXEMPTION FROM CERTAIN
TARIFF REQUIREMENTS OF THE
SHIPPING ACT OF 1984

FMC Petition No. P5-03

PETITION OF OCEAN WORLD LINES, INC. FOR A RULEMAKING TO AMEND AND EXPAND THE DEFINITION AND SCOPE OF "SPECIAL CONTRACTS" TO INCLUDE ALL OCEAN TRANSPORTATION INTERMEDIARIES

FMC Petition No. P7-03

PETITION OF BAX GEOBALIMARITIME COMM

FMC Petition No. P8-03

PETITION OF C.H. ROBINSON
WORLDWIDE, INC. FOR EXEMPTION
PURSUANT TO SECTION 16 OF THE
SHIPPING ACT OF 1984 TO PERMIT
NEGOTIATION, ENTRY AND
PERFORMANCE OF CONFIDENTIAL
SERVICE CONTRACTS

FMC Petition No. P9-03

### JOINT ADDITIONAL COMMENTS of

# THE NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE NATIONAL CUSTOMS BROKERS AND FORWARDERS ASSOCIATION OF AMERICA

### TRANSPORTATION INTERMEDIARIES ASSOCIATION

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Counsel for The National Industrial Transportation League The National Industrial Transportation League, the National Customs Brokers and Forwarders Association of America and the Transportation Intermediaries Association (collectively, "Joint Commenters") submit these Joint Additional Comments in response to the order of the Commission in these various proceedings served November 13, 2003, in which the Commission determined to re-open the comment period for additional comments.

These Joint Commenters are submitting the following Statement of Common Principles which they believe should guide the Commission in adjudicating these proceedings:

## STATEMENT OF COMMON PRINCIPLES CONCERNING A SECTION 16 EXEMPTION FOR NVOCCs

### agreed to by

The National Industrial Transportation League National Customs Brokers and Forwarders Association of America Transportation Intermediaries Association

- 1. The FMC has the authority under Section 16 of the 1984 Shipping Act, as amended by **OSRA**, to grant an exemption that would provide greater pricing flexibility and/or reduce regulatory burdens for non-vessel operating common carriers ("NVOCCs").
- 2. The FMC's exemption authority was liberalized under OSRA to enable the agency to reduce unnecessary regulatory burdens, and the FMC should exercise that authority unless the exemption would substantially reduce competition or be detrimental to commerce.
- 3. Granting exemptions that broadly permitted confidential contracting between NVOCCs and their customers and reduced tariff publication burdens would have a pro-competitive impact on the industry and would facilitate commerce.
- 4. The FMC should initiate a rulemaking proceeding to determine how to apply its exemption authority in order to broadly authorize confidential contracting between NVOCCs and their customers. The FMC should permit all qualified NVOCCs to have service contracting authority and should consider whether service contracts between NVOCCs and shippers should be subject to all of the existing rules and requirements applicable to vessel-operating common carriers ("VOCCs") service contracts.
- 5. Contracting is the preferred means of conducting ocean transportation services between VOCCs and shippers because it allows for more flexible and customized business arrangements. NVOCCs should have the same opportunity to offer contracts to their customers.

- 6. The administrative costs incurred by NVOCCs to publish tariffs far exceed any consumer benefits, since very few NVOCC customers rely on published tariffs to obtain NVOCC pricing information.
- 7. The shipping industry has changed dramatically since OSRA was adopted and has moved from a system of common carriage to contract carriage. In addition, NVOCCs-whether small, medium or large-have become far more sophisticated and have generally made the investments in infrastructure that are necessary to provide an efficient and economic intermodal transportational system. The changed dynamics of the NVOCC industry supports the FMC taking a fresh look at how it can increase competition and relieve regulatory burdens for Nvoccs.

In addition to the submission of these Common Principles, these Joint Commenters will also be separately submitting Additional Comments in response to the Commission's November 13 orders, in which they will discuss at greater length the above principles and also submit views or arguments in reply to the petitions or in reply to comments already received.

Respectfully submitted,

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Dated: January 12, 2004

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#### CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Joint Additional Comments was served via first-class U.S. mail on the 12<sup>th</sup> day of January 2004, upon the following:

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